

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 04-02
)	
SAM HYUN and MCE INTERNATIONAL,)	
INC.)	
)	
Respondents.)	
_____)	

CONCILIATION AGREEMENT

On or around July 2003, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondent, Sam Hyun ("Hyun"). Business Registration Division records list Mr. Hyun as president of MCE International, Inc. (formerly W.A. Hirai & Associates, Inc.), whose business address is 1360 South Beretania Street, Suite 400, Honolulu, Hawaii. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Hyun and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondents pursuant to section 11-216(g), HRS.

- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 - 1. On or around July 2003, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through various contributors, initiated an investigation involving excess or false name contributions in violation of the campaign finance statutes.
 - 2. Section 11-204(a)(1)(B), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period.
 - 3. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the

candidate's committee in an aggregate amount greater than \$4,000 during an election period.

4. Section 11-202, HRS, reads in part as follows: No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or committee in connection with a nomination for election, or election, in any name other than the true name of the person who owns the money or who supplied the money or property.
5. At the April 2003 meeting the Commission entered into a conciliation agreement with W.A. Hirai & Associates, Inc. and Sam K. Hyun and assessed a fine of \$19,000 for false name and excess contributions to the campaign committees of Jeremy Harris, Ben Cayetano, Mazie Hirono and Kimo Apana.
6. Upon further investigation, the Commission found additional contributions that was not revealed in the previous investigation.
7. On or about September 18, 1996, Namkyu Hyun, brother-in-law of Sam Hyun, made a contribution of \$250 to the campaign of Arnold Morgado.
8. On or about September 18, 1996, Insok Yang, wife of Sam Hyun's accountant, made a contribution of \$250 to the campaign of Arnold Morgado.

9. On or about November 14, 1996, Jieyon Yang, Sam Hyun's accountant, made a contribution of \$250 to the campaign of Arnold Morgado.
10. On or about October 15, 1998 Jieyon Yang made a contribution of \$1,000 to the campaign of Ben Cayetano.
11. On or about September 20, 2000, Jieyon Yang made a contribution of \$1,000 to the campaign of Jeremy Harris.
12. On or about September 19, 2001, Jieyon Yang made a contribution of \$2,000 to the campaign of Jeremy Harris.
13. On or about October 25, 1996, Namkyu Hyun made a contribution of \$250 to the campaign of Jeremy Harris.
14. On or about June 23, 2000, Insok Yang made a contribution of \$1,000 to the campaign of Fred Holshuh.
15. On or about April 25, 2002, Insok Yang made a contribution of \$2,000 to the campaign of Mazie Hirono.
16. On or about October 31, 2002, Jieyon Yang made a contribution of \$1,000 to the campaign of Matt Matsunaga.
17. On or about October 31, 2002, Sam Hyun made a contribution of \$5,000 to the campaign of Matt Matsunaga.
18. The Commission finds that \$9,000 in false name contributions were made by family, friends and employees on behalf of Hyun.

19. The Commission finds that one contribution each to the Jeremy Harris and Ben Cayetano campaigns are excess campaign contributions.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #04-02, Hyun understands and agrees to the following:

- (A) Hyun agrees to an assessment of **Ten Thousand Dollars (\$10,000)** pursuant to section 11-228, HRS.
 - (1) For violation of section 11-202, HRS; making false name campaign contributions to the campaign committees of Arnold Morgado, Ben Cayetano, Jeremy Harris, Fred Holshuh, Mazie Hirono and Matt Matsunaga for the 1996-2000 and 2002 election periods; and
 - (2) For violation of section 11-204, HRS, making campaign contributions in excess of the limit to the Ben Cayetano and Jeremy Harris campaign committees for the 1998 and 2000 election periods, respectively.
- (B) Hyun agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.
- (C) Terms of payment of the assessment shall be by Order of the Commission.

- VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.
- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Hyun on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

FOR THE COMMISSION:

Robert Y. Watada, Executive Director

By: _____

Date: _____

FOR THE RESPONDENT(S)

Sam K. Hyun

By: _____

(Name)

(Title)

Date: _____